CS150-6

National
Home Center News®

HC
00257757C
MS JEANNE LONG
CONGRESSIONAL INFORMATIO ILL2
4520 AST-WEST HIGHWAY/STE 800
BETHESDA
MD 20814

SECOND CLASS

Vol. 16, No. 2 $3 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. January 22, 1990

# Pay 'N Pak rethinks merchandising strategy

## *Chain looking to stop drift toward home fashions*

**By Elizabeth Brent**

KENT, Wash. — Pay 'N Pak is changing its merchandising strategy to focus on the core categories of plumbing, electricals, kitchen and bath.

It will reduce its furniture selection—once one of the main departments in its stores—and stock just domestic lines; continue housewares only as an integral part of kitchen and bath; and eliminate commodity lumber and building materials.

"We have drifted away from our core business," said John Markley, chairman of the board and chief executive officer who joined the company in August. "In the future we will merchandise and market our inherent strengths."

In addition, Pay 'N Pak is overhauling its operations and will spend $8 million over the next two years installing its first point-of-sale system.

**New management**

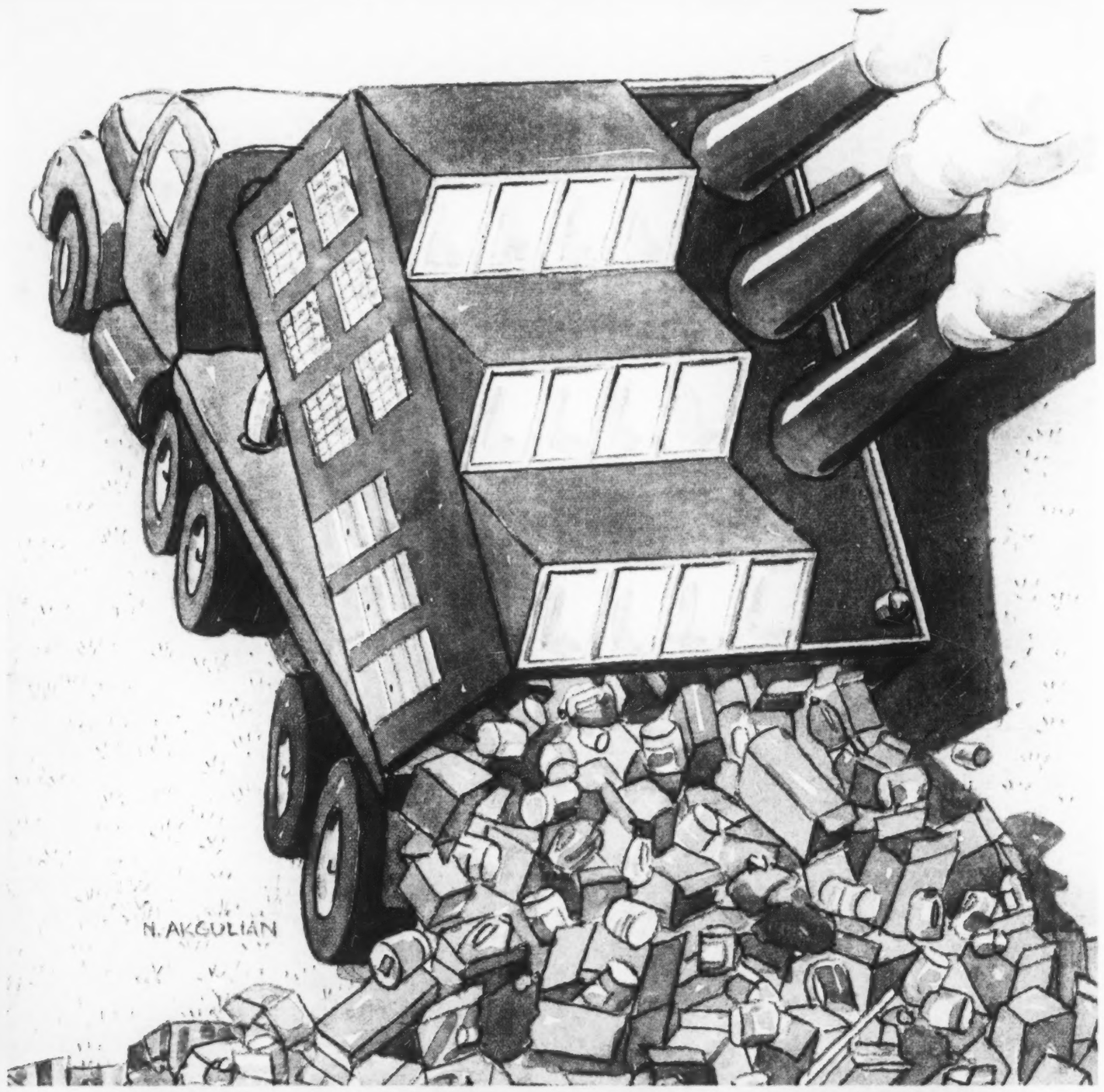
In the last few months it has gathered a team of executives to oversee these plans.

Rich Matthews joined as the new senior vp of MIS, Doug Haskins as senior vp-operations, and Doug Kramer as director of store systems. Matthews comes from Builders Emporium, Haskins from Builders Square and Kramer from HomeClub.

It also hired two data processing consultants: Mike

*(Continued on page 6)*

*Pay 'N Pak will continue its strong focus on K&B while beefing up its plumbing and electricals departments.* NHCN photo




Nishan Akgulian

# THE GARBAGE CRISIS

## Few suppliers are offering recyclable packaging

**By Tom Neven**

NATIONAL REPORT — If the 1967 movie "The Graduate" had a sequel in 1990, the one-word advice Dustin Hoffman gets about his future career would change from "plastics" to "recyclables."

Or, more specifically, "environmentally safe packaging," the latest hot topic in the world of garbage disposal and landfills.

So far, though, most manufacturers in the home improvement industry haven't seen the future.

"Recycling is not really a businessman's issue," said Mel Waxman, chairman of Waxman Industries, the Cleveland supplier of carded plumbing and electricals. "It's a government issue. After all, where's the payback on it?"

Such bottom-line thinking runs throughout all sectors of U.S. business. Manufacturers recently have jumped—or more likely, been pushed—onto the safe-product bandwagon, mostly in reaction to consumer fears or government mandates.

But only now are people awakening to the so-called "Garbage Crisis," a problem more readily evident to the average consumer than a damaged ozone layer or minuscule warming of global temperatures. The crisis is a result not so much of product, but what that product is packaged in.

> One supplier likens attitudes toward recycling to those on bar coding a decade ago.

And reacting to this problem can allow manufacturers not only to be good citizens, but to reap marketing windfalls from more aware consumers. Recycling can have a positive affect on the bottom line.

Both Wal-Mart and K mart have announced plans to highlight products in their stores that are "guaranteed not to last," to quote from Wal-Mart's full-page ad in the *Wall Street Journal* last fall.

*(Continued on page 11)*

# *Lampert to add largest unit as part of chainwide facelift*

**By Tom Bagsarian**

ST. PAUL, Minn. — Lampert Lumber is attempting to heat up sales in these frigid parts by unveiling a three-year, $6.4 million capital spending program which includes opening its largest store this summer.

Another 26 of Lampert's 38 units will be upgraded with new fixtures and displays, according to company president F. Joseph Hayes.

NHCN photo

*F. Joseph Hayes*

The chain will also add specialty products to its merchandise mix, though it also intends to do business with fewer vendors in the future.

The new 42,000-square-foot store is slated to open in July about 75 miles northwest of Duluth, in Grand Rapids, Minn. It will replace an existing 7,000-square-foot unit there.

There will be 18,000 square feet of retail area under one roof with warehouse space taking up the remainder.

This store is in stark contrast to the chain's other units which average 10,000 square feet in size. The new store will be a "re-

*(Continued on page 50)*

For the newest Home Center Hall of Fame inductees, see page 3

## Former Pay 'N Pak chairman to open new home center

*By an NHCN staff editor*

KENT, Wash. — Eagle Hardware and Garden, a new home improvement company founded by David J. Heerensperger, is seeking sites in the Puget Sound area. If it's successful, the company will compete directly with Pay 'N Pak, the home center chain where Heerensperger was chairman.

Eagle, which was founded on Dec. 4, plans to develop a chain of full-line home centers in the Pacific Northwest, with stores of between 80,000 and 100,000 square feet. This is considerably larger than either the Ernst Home & Nursery or Pay 'N Pak stores in the market.

Both Heerensperger and his son Sam, who is Eagle's vice president, were unavailable for comment because they were traveling outside the U.S.

However, an official at Pay 'N Pak confirmed that Heerensperger negotiated to have the non-compete clause removed from his contract when he retired from the chain last August.

During Heerensperger's time at Pay 'N Pak, the company looked into the possible acquisition of Orchard Supply Hardware, the San Jose, Calif.-based chain which specializes in hardware and offers 50,000 stockkeeping units with a heavy focus on lawn and garden.

An industry source suggested that some of these concepts may be incorporated into Eagle, although this could not be confirmed with Heerensperger. ◆

## Williams Bros.' parent launches wholesale lumber co.

*By an NHCN staff editor*

ATLANTA — The parent of the Williams Brothers chain here has created a new company, Georgia Wholesale Lumber, out of a sawmill operation that was formerly part of the lumber group.

Georgia Wholesale, based 35 miles east of here in Covington, Ga., will continue selling yellow pine in the Southeast. The only difference is that trucks will no longer bear the Williams Brothers name and corporate logo.

The sawmill produces 30 million board feet of lumber annually, said

*(Continued on page 49)*

INDEPENDENT

# N.J. dealer fearless in face of Depot opening

*By an NHCN staff editor*

OLD BRIDGE, N.J. — Blackstone Co., a three-store dealer based in nearby East Brunswick, runs a store here that has a pretty good view of the construction site for a new Home Depot going up across the highway on U.S. Route 9.

For most independents, that vantage would be pretty unnerving. But ask store manager Dave Barrett about being overshadowed by the giant warehouse chain and he'll smile and respond casually:

"Home Depot's a real good operation. They've got sharp pricing and knowledgeable sales help." End of comment.

Dave McDermott, who runs Blackstone's lumber operations and who's credited with taking Blackstone lumberyard sales from a little over $1 million in 1982 to a current $45 million from five divisions, elaborates:

"We are a lumberyard, not a home center. We know what our strengths are and we intend to stick with those."

**Five divisions**

Actually, Blackstone is more than just a lumberyard.

The lumber division, which specializes in sales of finished and raw building materials, hardware, DIY project-oriented products, and power and pneumatic tools, operates three yards: in Metuchen (called Metuchen Lumber), South Brunswick, and Old Bridge. The millwork division, the company's original unit, is at the East Brunswick home office.

A stair division is across the street from the home office, and a kitchen division is in the South Brunswick yard. Blackstone also owns Ideal Co., a milling operation in Waco, Texas, that makes Ideal doors and windows distributed throughout the U.S.

These divisions serve as the marketing "tools" president and owner Bill Schwartz offers his energetic management team. It's up to McDermott and his counterparts at the other divisions to use the tools to serve Blackstone customers in every facet of their project.

"In many respects, each of the division managers is in business for himself," Schwartz explains. "The home office provides an overview, an overriding philosophy."

Which is? "Never forget who we are," Schwartz says. "We're a builder

*(Continued on page 49)*

NHCN photos

*Manager Dave Barrett says Blackstone will stick to its strengths, which are in lumber.*

## Fagen's buys N.C. independent

### *Carolinas key to chain's Sunbelt expansion plans*

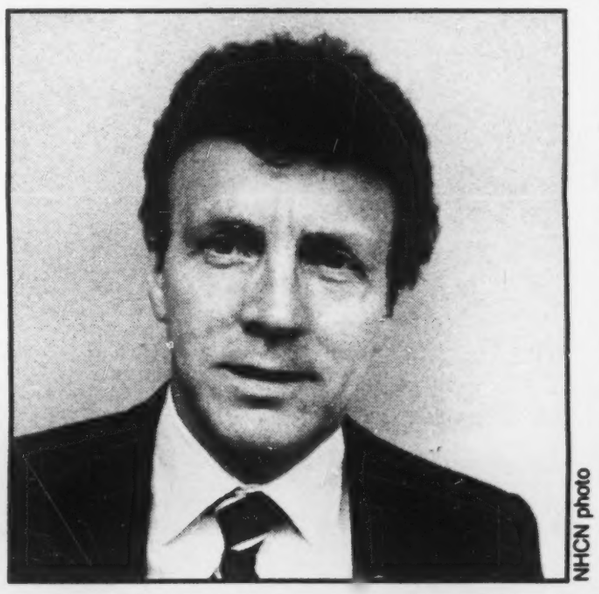
*By an NHCN staff editor*

VERONA, Pa. — The cautious expansion by Fagen's chain here into the Sunbelt continues with its purchase of the retail division of Morrison Brothers, an independent based in Harrisburg, N.C.

Fagen's also bought certain of Morrison's milling operations.

The purchase price is undisclosed, but president Jack Fagen confirms that Morrison was doing roughly $12 million in sales of building supplies and milled products.

Former owner Hugh Morrison says he had no intentions of selling the lumberyard portion of his business until Fagen popped in on him one day. "We were looking specifically at moving into North Carolina, and his name came up in conversation," Fagen recounts.



NHCN photo

*Jack Fagen*

Fagen had heard that Morrison—who was running the lumberyard his grandfather established in 1921 and trying to grow a millwork and wholesale business that he created in 1976 as well—wanted to spend more time working the newer operation.

"We had some other things we wanted to do, and he was really persuasive," says Morrison. "He convinced us that selling the yard was a way to go."

Specifically, Fagen has purchased all of Morrison's eight-acre lumberyard and building materials retail facility that encompasses a four-acre yard and a 100,000-square-foot enclosed space: Thirteen thousand square feet are for selling space and about 43,000 square feet are devoted to milling and manufacturing windows and to hanging doors from outside suppliers (businesses which Fagen also purchased). The remainder is warehouse storage.

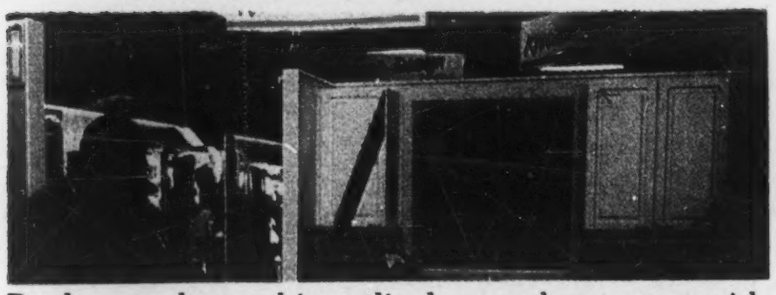
The building supply division caters to mostly contractors, and carries some 800 accounts, all of which should be picked up by Fagen, according to Morrison. Fagen intends to run the store under the Morrison Brothers name.

Morrison has taken the proceeds from this sale and ploughed them into his mill and wholesale operation, Morrison Millworks Inc., now located in Concord, N.C. The company is a

*(Continued on page 50)*

## *contents*

### *buying & selling*

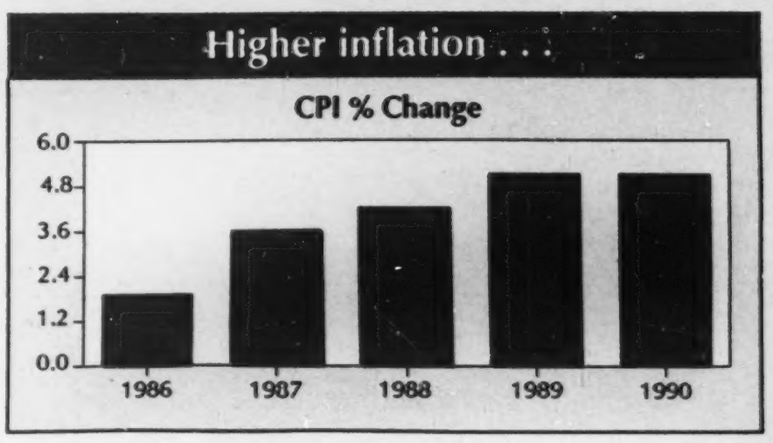



Dealers update cabinet displays to keep pace with trendy market . . . . . 19
Vanities go upscale as demand for amenities rises 19
Lumber Report . . . . . 23
Merchandising Digest . . . . . 24
New Products . . . . . 19,28,30


### *perspectives*

Technology advances loss prevention . . . . . 33
Human touch not just high-tech is needed for loss prevention . . . . . 34
NHD awards its 'All Stars' who go the extra mile to help customers . . . . . 38


### *business watch*

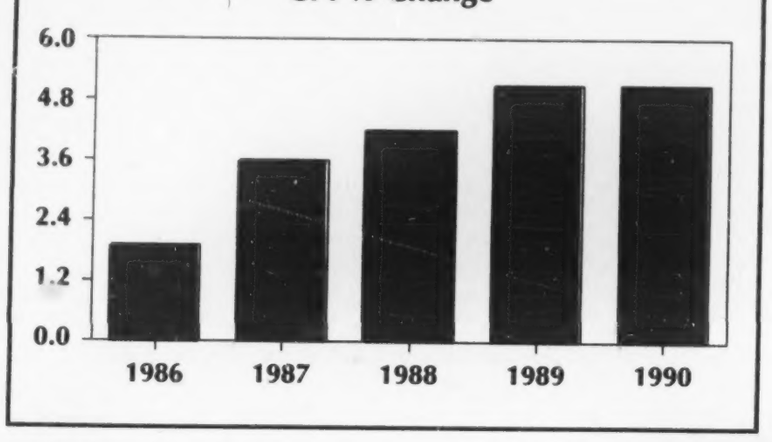




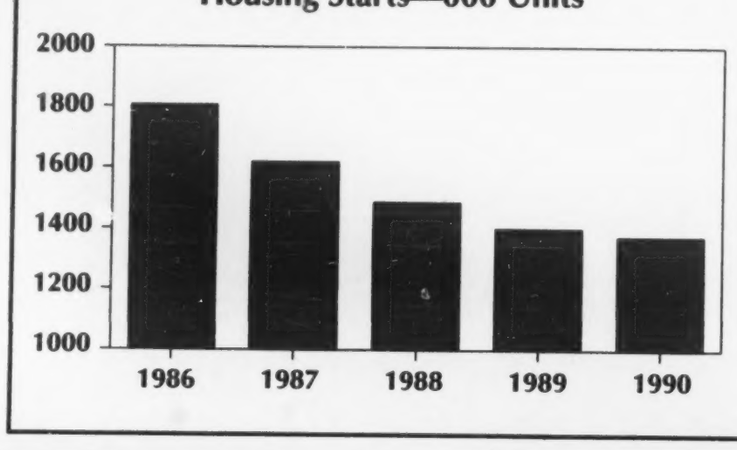
BUSINESS WATCH . . . . . 41
STOCKS . . . . . 42

# business watch

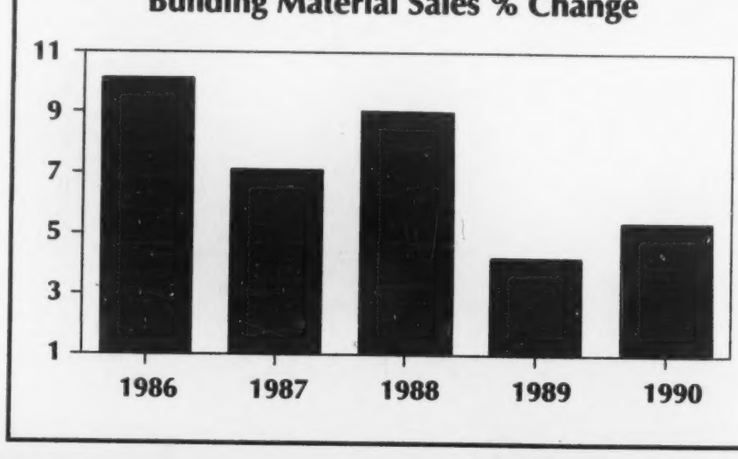
Higher inflation . . .




. . . with little change in housing . . .




. . . will restrain sales in 1990.




## 1990 building material sales will top last year's by 1.2 percent

**By Richard E. Mount**
*Special to NHCN*

Building material sales are likely to rise 5.4 percent in 1990, somewhat stronger than the 4.2 percent estimated gain for 1989. Adjusted for expected price increases, unit sales would be up 1.3 percent this year after a 0.5 percent rise in 1989.

The overall economy faces slower growth this year than last—GNP will be up only 2 percent after a 3 percent rise in 1989. Capital spending, exports, defense spending, auto sales, and state and local expenditures will likely have lower gains.

*Richard E. Mount*

Inflation is not out of control, but many tight labor markets are keeping wage pressures up. The rise in the dollar since the beginning of 1989 will raise the price of imports. The consumer price index is, therefore, apt to be up about 5.1 percent in 1990, the same rate as in 1989, in spite of the slower growth in GNP.

This slower GNP growth combined with a continuation in inflation will put the Federal Reserve in a dilemma—to increase interest rates to stimulate the economy or to tighten credit to fight inflation. Rates will most likely change little in the first half of 1990, but decrease slightly in the second.

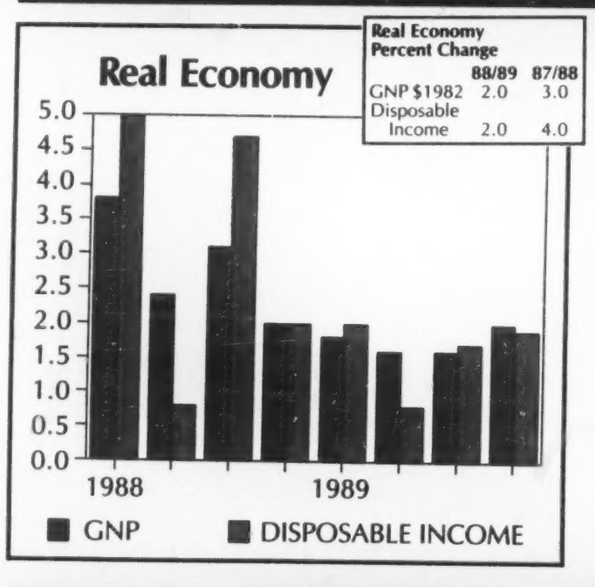
Slow growth in income, combined with little change in mortgage rates, will pressure housing, but not as much as in 1989.

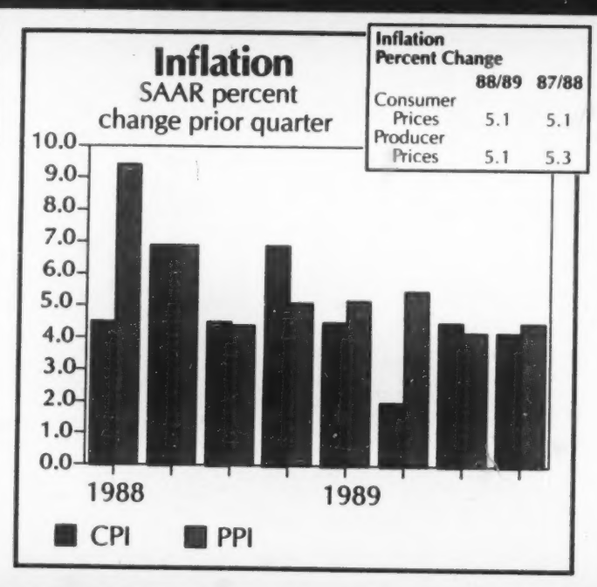
Last year starts were off 6 percent; this year they are likely to be down only 2 percent. Single units, in particular, will respond to the changes in mortgage rates and income. Multi-units are still adjusting to past overbuilding and should remain soft during the first half of the year.

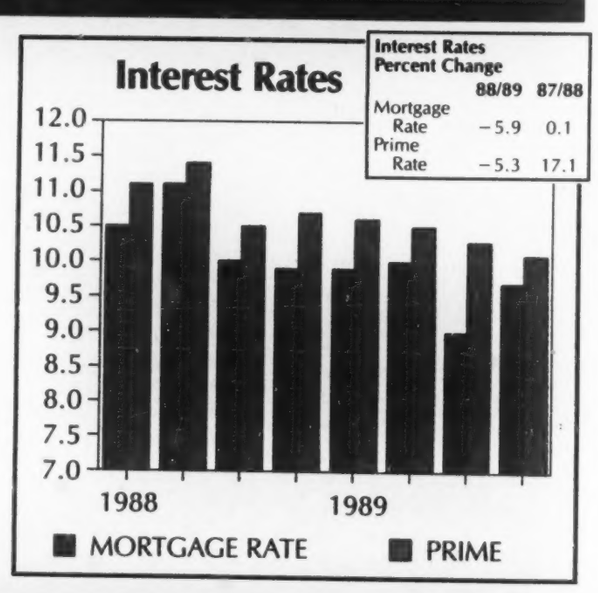
Given these factors, the upkeep and inprovement of existing homes will be a stronger market for building material retailers than new housing.

*Richard Mount is president and chief economist with Mount Economic Consulting*

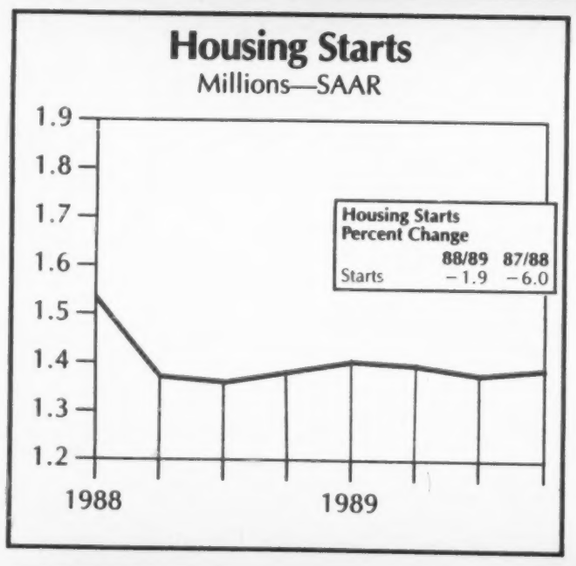
## General Business Conditions

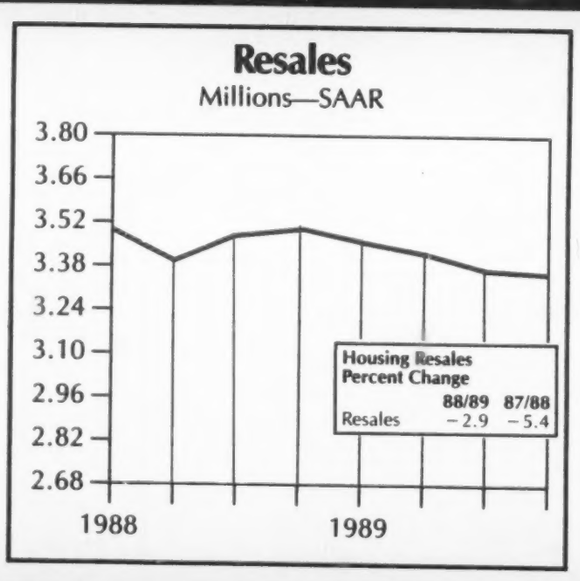


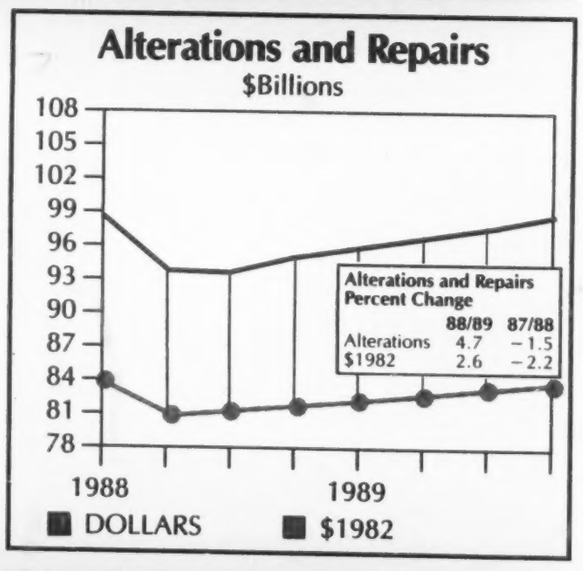



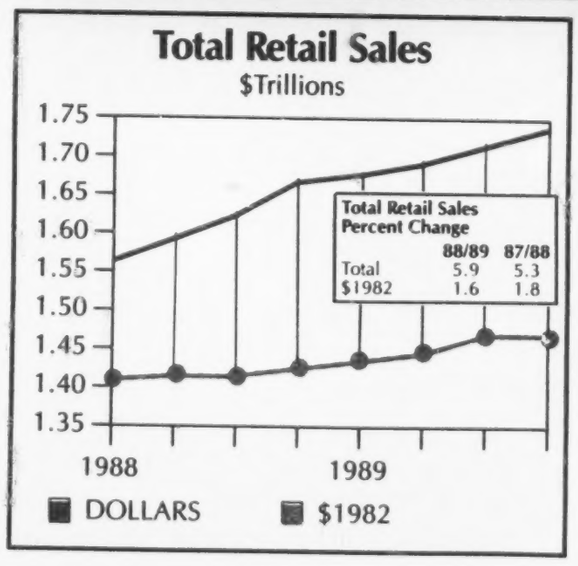

## Housing

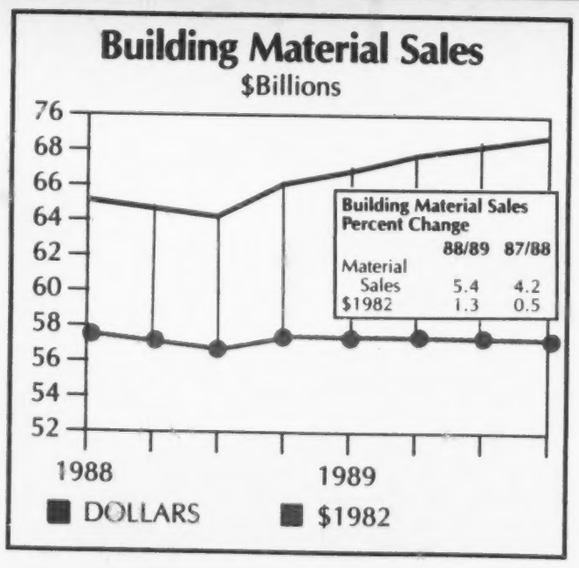


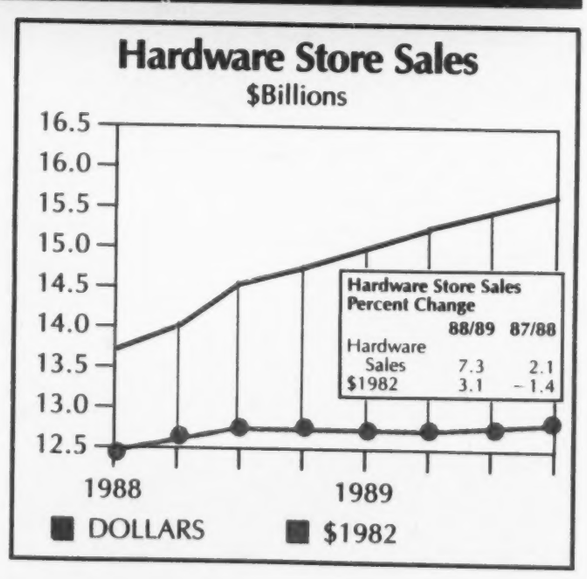




## Retail Trade Activity




Data: Dept. of Commerce
Bureau of Labor Statistics
National Association of Realtors
Dept. of Housing and Urban Development

The Home Center Industry Outlook runs in two parts, one each month. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material and supply store sales.

SAAR—Seasonally Adjusted Annual Rate
p—projection
*NHCN* chart

## Emhart acquisition stunts B&D's 1989 earnings

*By an NHCN staff editor*

TOWSON, Md. — Black & Decker Corp. posted a 40 percent sales jump, but a 69 percent earnings decline, for the fiscal year ended Sept. 24, 1989.

Every facet of B&D's annual results were affected by its $2.8 billion purchase of Emhart earlier in the year.

The company's net sales reached $3.19 billion, compared to $2.28 billion a year earlier. Excluding Emhart, B&D's sales increased 11 percent. This year's $30 million in net income compared unfavorably to the $97.1 million B&D achieved in fiscal 1988.

Earnings per share dropped to 51 cents from $1.65 a year ago, reflecting increased interest expense and other effects of the purchase, the company reported.

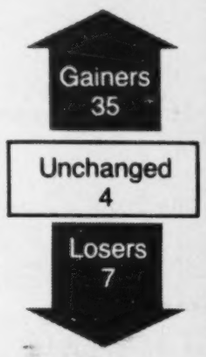
In the fourth quarter, sales jumped 79 percent to $1.059 billion; excluding Emhart's businesses, B&D's sales rose 14 percent. The corporation's $29 million loss in earnings for the quarter was in stark contrast to the $23.4 million gains a year earlier.

Likewise, the quarterly loss of 49 cents per share fell well short of the 40 cents per share gain for the same period in 1988.

## Stocks start year on high note

The New Year arrived, and with it the Dow Jones Industrial Average cracked the 2,800 barrier for the first time in its history.

Home improvement stocks followed suit, though in less dramatic fashion. Thirty-five of the 46 stocks tracked for *NHCN* by Media General showed increases during the two-week period ended Jan. 5. Leading the retailers was General Building Products, whose stock had been battered around a bit in recent weeks. During this recent period, it rose 40 percent to close at $1.75 per share. Sears Roebuck, more than 59 million shares of whose stock were traded in this period, increased about 6.5 percent to $39.13.




Among suppliers, Georgia-Pacific and Champion International saw their stock prices increase more than 9 percent to $51.38 and $32.50 per share, respectively. Masco Corp. announced its first earnings decline in 33 years on the last day of this recent tracking period. But its stock price was none the worse for wear, and increased 5.67 percent to $25.63.

National Home Center News

## HOME CENTER MARKET SUMMARY

Covering The Period 12/22/89 - 01/05/90

| Company (Exchange) | Symbol | STOCK PRICE High | Low | Close | Change Amt | Change Pct | 52-Week High | 52-Week Low | VOLUME Total Volume This Period | % Shrs. Outstanding | Average Daily Vol. Last 52 Week | Average Daily Vol. This Period | EARNINGS/SHARE Last Fiscal Year | Latest 12 Months vs Preceding 12 Months Change Amt. | Change Pct | 5-Year Annual Growth Rate | Profit Margin | P/E Latest P/E Ratio | DIVIDENDS Indicated Dvd. Rate Amt. | Yield | Last X-Dvd. Date | FINANCIAL POSITION Last Fiscal Year Revenue | Earnings | Current Ratio | Last Fiscal Year (Per Share) Long Term Debt | Common Stock Equity | Last Balance Sheet Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - | - | $ | $ | $ | $ | % | $ | $ | (100) | % | (100) | (100) | $ | $ | % | % | % | - | $ | % | - | $ Mil | $ Mil | - | $ | $ | - |
| **Retailers** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gen Bldg Prods (O) | GBLD | 2.00 | 1.25 | 1.75 | .50 | 40.00 | 5.00 | 1.25 | 401 | 1.01 | 31 | 50 | -.06 | -.79 N | -100.0 | NC | -.3 | NE | .00 | .0 | 00-00-00 | 79.3 | -.2 | 4.6 | 5.48 | 4.01 | 1188 |
| Grossman's Inc (O) | GROS | 5.00 | 4.75 | 5.00 | .13 | 2.56 | 9.75 | 4.38 | 10,626 | 4.07 | 2,336 | 1,328 | .50 | .16 N | 33.3 | NC | 1.2 | 7.8 | .00 | .0 | 00-00-00 | 1141.6 | 13.2 | 1.8 | 6.15 | 3.88 | 1288 |
| Hechinger A (O) | HECHA | 12.88 | 12.13 | 12.63 | .63 | 5.21 | 19.63 | 10.75 | 10,189 | 4.98 | 1,204 | 1,274 | NA | NA | NA | NA | NA | NA | .16 | 1.3 | 10-30-89 | NA | NA | NA | NA | NA | NA |
| Hechinger B (O) | HECHB | 13.00 | 12.00 | 12.50 | .50 | 4.17 | 19.50 | 11.50 | 620 | .42 | 66 | 78 | 1.30 | -.26 N | -21.0 | 11 | 4.8 | 12.8 | .06 | .5 | 10-30-89 | 1019.4 | 48.8 | 3.9 | 4.95 | 10.14 | 0189 |
| Home Depot (N) | HD | 38.25 | 34.63 | 37.63 | 2.50 | 7.12 | 38.38 | 19.19 | 14,831 | 1.95 | 2,044 | 1,854 | 1.00 | .34 N | 35.4 | 49 | 3.8 | 28.9 | .12 | .3 | 11-22-89 | 1999.5 | 76.8 | 1.7 | 1.45 | 5.16 | 0189 |
| K mart Cp (N) | KM | 37.13 | 33.38 | 37.00 | 2.88 | 8.42 | 44.88 | 32.50 | 45,738 | 2.29 | 6,626 | 5,717 | 4.00 | .05 N | 1.4 | 16 | 2.9 | 10.1 | 1.64 | 4.4 | 11-10-89 | 27301.0 | 803.0 | 2.0 | 14.78 | 25.13 | 0189 |
| Lowe's Cos (N) | LOW | 29.63 | 28.75 | 29.38 | .13 | .43 | 32.13 | 20.75 | 9,343 | 2.51 | 620 | 1,168 | 1.83 | .33 N | 19.1 | 4 | 2.7 | 14.3 | .52 | 1.8 | 01-10-90 | 2516.9 | 69.2 | 2.0 | 5.12 | 15.80 | 0189 |
| NHD Stores (O) | NHDI | 5.25 | 4.63 | 4.81 | -.19 | -3.75 | 9.50 | 4.63 | 586 | 4.50 | 31 | 73 | .79 | -.34 N | -45.3 | 4 | 1.9 | 11.7 | .00 | .0 | 09-16-86 | 51.4 | 1.0 | 2.1 | 4.07 | 7.14 | 0189 |
| Natl Lumber (O) | NTLB | 1.38 | .88 | 1.25 | .13 | 11.11 | 2.88 | .88 | 886 | 1.57 | 43 | 111 | -.82 | -.58 N | NE | NC | -3.0 | NE | .00 | .0 | 00-00-00 | 152.0 | -4.6 | 1.2 | .21 | 2.86 | 0189 |
| Sears, Roebuck (N) | S | 39.50 | 36.75 | 39.13 | 2.38 | 6.46 | 48.13 | 36.50 | 59,076 | 1.64 | 7,306 | 7,385 | 2.40 | -1.23 N | -32.0 | -8 | 1.8 | 15.0 | 2.00 | 5.1 | 11-20-89 | 50407.8 | 909.5 | .0 | 26.15 | 37.75 | 1288 |
| Std Brd Pnt (N) | SBP | 15.00 | 12.63 | 14.13 | 1.25 | 9.71 | 19.38 | 12.13 | 1,653 | 2.89 | 299 | 207 | .37 | 1.00 N | NE | -27 | 1.2 | 27.2 | .00 | .0 | 08-11-87 | 304.4 | 3.7 | 2.8 | 28.85 | 6.65 | 0189 |
| Strober Organiz (O) | STRB | 3.50 | 2.75 | 3.25 | .13 | 4.00 | 9.25 | 2.75 | 761 | 1.26 | 66 | 95 | .64 | -.59 N | -80.8 | -10 | 2.8 | 23.2 | .00 | .0 | 00-00-00 | 140.4 | 3.9 | 1.7 | 1.09 | 4.93 | 1288 |
| Wolohan Lumber (O) | WLHN | 17.25 | 16.50 | 16.75 | -.25 | -1.47 | 24.53 | 15.00 | 826 | 1.28 | 218 | 103 | 1.75 | .07 N | 4.1 | 42 | 4.3 | 9.4 | .25 | 1.5 | 11-09-89 | 257.8 | 11.2 | 2.6 | 4.36 | 8.20 | 1288 |
| **Wholesalers** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hughes Supply (N) | HUG | 18.63 | 18.00 | 18.00 | -.38 | -2.04 | 21.88 | 17.50 | 445 | .93 | 69 | 56 | 1.99 | -.15 N | -7.6 | 9 | 1.9 | 9.8 | .36 | 2.0 | 11-06-89 | 501.9 | 9.7 | 3.0 | 15.72 | 18.88 | 0189 |
| Moore-Handley (O) | MHCO | 4.75 | 4.50 | 4.50 | .00 | .00 | 4.75 | 3.75 | 297 | 1.31 | 19 | 37 | -.17 | -.18 N | NE | NC | -.5 | NE | .20 | 4.4 | 10-03-88 | 99.7 | -.5 | 2.0 | 3.18 | 5.98 | 1288 |
| **Manufacturers** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Am Consum Prods (O) | ACPI | 7.25 | 7.00 | 7.00 | .00 | .00 | 11.00 | 7.00 | 476 | 1.83 | 33 | 60 | .70 | .10 N | 14.9 | NC | 2.3 | 9.1 | .00 | .0 | 06-08-88 | 78.6 | 1.8 | 4.3 | 7.33 | 5.40 | 1288 |
| Am Woodmark (O) | AMWD | 7.13 | 6.75 | 6.88 | -.13 | -1.79 | 13.75 | 6.38 | 1,324 | 1.94 | 56 | 166 | 1.00 | -.09 S | -11.8 | NC | 4.7 | 10.3 | .00 | .0 | 05-24-88 | 158.1 | 7.5 | 2.3 | 3.65 | 5.41 | 0489 |
| Armstrng Wrld (N) | ACK | 38.75 | 36.88 | 38.38 | 1.38 | 3.72 | 50.88 | 33.38 | 7,969 | 1.72 | 2,047 | 996 | 3.51 | .00 N | .0 | 16 | 6.1 | 11.0 | 1.06 | 2.8 | 11-06-89 | 2680.3 | 162.7 | 1.2 | 4.02 | 21.73 | 1288 |
| Black & Decker (N) | BDK | 20.38 | 19.13 | 19.88 | -.25 | -1.24 | 25.25 | 18.13 | 23,476 | 3.99 | 2,826 | 2,935 | .51 | -1.14 F | -69.1 | -12 | .9 | 39.0 | .40 | 2.0 | 12-04-89 | 3190.3 | 30.0 | 1.7 | 4.73 | 12.38 | 0988 |
| Boise Cascade (N) | BCC | 46.25 | 43.00 | 44.75 | 1.63 | 3.77 | 48.00 | 39.75 | 6,987 | 1.79 | 1,492 | 873 | 6.34 | .62 N | 10.6 | 40 | 7.1 | 6.9 | 1.52 | 3.4 | 12-11-89 | 4094.6 | 289.1 | 1.3 | 20.59 | 37.34 | 1288 |
| Catalina Lghtg (A) | LTG | 11.13 | 9.88 | 10.88 | .25 | 2.35 | 15.25 | 8.88 | 2,017 | 3.99 | 221 | 252 | .61 | .20 F | 48.8 | NC | 4.6 | 17.8 | .00 | .0 | 00-00-00 | 54.6 | 2.5 | 1.6 | .06 | 1.52 | 0988 |
| Champ Intl (N) | CHA | 33.25 | 29.25 | 32.50 | 2.88 | 9.70 | 37.75 | 28.88 | 46,926 | 4.95 | 3,137 | 5,866 | 4.80 | .34 N | 7.7 | NC | 8.9 | 6.9 | 1.10 | 3.4 | 12-11-89 | 5128.5 | 56.4 | 1.4 | 20.00 | 35.05 | 1288 |
| Clairson Intl (O) | CLIC | 8.56 | 8.38 | 8.50 | .13 | 1.49 | 8.63 | 2.75 | 1,589 | 3.12 | 210 | 199 | -3.79 | -4.34 F | -100.0 | NC | -18.5 | NE | .00 | .0 | 00-00-00 | 104.2 | -19.3 | .7 | .75 | .06 | 0988 |
| Cooper Indus (N) | CBE | 40.50 | 37.13 | 38.75 | .88 | 2.31 | 40.50 | 27.06 | 15,324 | 1.50 | 2,152 | 1,916 | 2.21 | .43 N | 21.2 | 20 | 5.3 | 15.8 | 1.00 | 2.6 | 12-05-89 | 4258.3 | 224.4 | 1.7 | 11.54 | 17.47 | 1288 |
| DeSoto Inc (N) | DSO | 47.25 | 45.75 | 46.50 | .75 | 1.64 | 52.50 | 32.38 | 922 | 2.28 | 418 | 115 | .79 | -2.89 N | -100.0 | NC | .8 | NE | .40 | .9 | 12-20-89 | 402.5 | 3.2 | 1.8 | 12.33 | 24.29 | 1288 |
| Georgia Pacific (N) | GP | 51.63 | 47.13 | 51.38 | 4.38 | 9.31 | 62.00 | 36.63 | 17,750 | 1.87 | 2,538 | 2,219 | 4.76 | 2.45 N | 54.7 | 46 | 4.9 | 7.4 | 1.60 | 3.1 | 11-13-89 | 9509.0 | 467.0 | 1.9 | 26.51 | 27.79 | 1288 |
| La Pacific (N) | LPX | 44.50 | 41.50 | 43.88 | 2.38 | 5.72 | 44.50 | 29.38 | 5,306 | 1.42 | 1,055 | 663 | 4.02 | .48 N | 12.0 | 42 | 8.5 | 9.8 | 1.00 | 2.3 | 11-09-89 | 1799.4 | 153.6 | 3.3 | 9.92 | 30.51 | 1288 |
| Macmillan Bloedel (O) | MMBLF | 16.13 | 15.38 | 16.13 | .75 | 4.88 | 17.88 | 14.38 | 992 | .10 | 511 | 124 | 2.58 | -.18 N | -7.4 | NC | 10.1 | 7.2 | .20 | 1.2 | 11-13-89 | 2743.8 | 276.4 | 11.7 | 1.45 | 10.86 | 128 |
| Manville Cp (N) | MVL | 9.38 | 8.75 | 9.25 | .50 | 5.71 | 10.50 | 6.88 | 1,931 | .40 | 719 | 241 | .79 | -2.46 N | NC | NC | 4.7 | NE | .00 | .0 | 00-00-00 | 2062.2 | 96.0 | 1.7 | 22.06 | 7.39 | 12[illegible] |
| Masco Corp (N) | MAS | 25.88 | 23.75 | 25.63 | 1.38 | 5.67 | 31.13 | 23.75 | 35,543 | 2.28 | 3,412 | 4,443 | 2.10 | -.23 N | -11.7 | 14 | 11.8 | 14.7 | .52 | 2.0 | 01-08-90 | 2438.6 | 288.3 | 3.0 | 7.30 | 11.30 | 12[illegible]8 |
| Mor-Flo Inds (O) | MORF | 5.13 | 4.50 | 5.13 | .63 | 13.89 | 7.75 | 4.50 | 155 | .61 | 15 | 19 | -1.11 | 1.05 N | NE | NC | -1.3 | NE | .01 | .2 | 12-13-89 | 218.0 | -2.8 | 1.8 | 12.85 | 14.08 | [illegible]88 |
| Newell Co (N) | NWL | 24.00 | 21.75 | 23.75 | 1.63 | 7.34 | 25.25 | 12.75 | 9,054 | 1.54 | 1,268 | 1,132 | 1.09 | .37 N | 39.4 | 25 | 6.2 | 18.1 | .50 | 2.1 | 12-04-89 | 988.2 | 61.4 | 1.7 | 3.28 | 5.59 | 288 |
| Nortek Inc (N) | NTK | 5.63 | 5.13 | 5.38 | .13 | 2.38 | 9.75 | 4.75 | 3,191 | 2.28 | 252 | 399 | .90 | -1.11 N | NE | NC | 1.1 | NE | .10 | 1.9 | 12-22-89 | 1224.2 | 13.2 | 2.9 | 38.65 | 16.34 | 1288 |
| Owens Corn (N) | OCF | 26.25 | 23.88 | 26.25 | 2.38 | 9.95 | 36.88 | 23.00 | 6,354 | 1.58 | 1,214 | 794 | 4.71 | 4.36 N | NC | NC | 7.0 | 6.0 | .00 | .0 | 00-00-00 | 2831.0 | 197.0 | 1.2 | 32.73 | -15.18 | 1288 |
| Ply-Gem (A) | PGI | 11.38 | 11.00 | 11.13 | .00 | .00 | 15.00 | 10.88 | 1,963 | 1.83 | 216 | 245 | 1.41 | .03 N | 3.1 | 11 | 4.1 | 11.1 | .12 | 1.1 | 11-13-89 | 383.7 | 15.9 | 4.0 | 7.71 | 9.37 | 1288 |
| Pope & Talbot (N) | POP | 27.00 | 25.75 | 26.63 | .75 | 2.90 | 29.75 | 18.00 | 1,068 | .91 | 261 | 134 | 2.68 | 1.05 N | 41.3 | NC | 6.2 | 7.4 | .60 | 2.3 | 10-24-89 | 515.0 | 31.9 | 1.9 | 6.24 | 13.05 | 1288 |
| Potlatch Cp (N) | PCH | 38.38 | 35.75 | 38.13 | 2.00 | 5.54 | 38.63 | 31.00 | 3,266 | 1.13 | 375 | 408 | 4.04 | .86 N | 23.0 | 33 | 10.4 | 8.3 | 1.20 | 3.1 | 11-09-89 | 1084.1 | 112.4 | 2.4 | 13.66 | 24.97 | 1288 |
| PPG Inds (N) | PPG | 41.75 | 39.13 | 40.63 | .88 | 2.20 | 46.00 | 37.00 | 13,590 | 1.18 | 1,717 | 1,699 | 4.26 | .02 N | .5 | 17 | 8.3 | 9.7 | 1.52 | 3.7 | 11-06-89 | 5638.7 | 467.6 | 1.5 | 8.00 | 20.48 | 1288 |
| Rep Gypsum (N) | RGC | 5.25 | 5.00 | 5.13 | .00 | .00 | 5.75 | 4.38 | 368 | .37 | 62 | 46 | .24 | .01 Q | 5.0 | -29 | 5.0 | 24.4 | .20 | 3.9 | 11-24-89 | 48.1 | 2.4 | 3.6 | .90 | 3.19 | 0689 |
| Sherwin-Wms (N) | SHW | 35.25 | 33.00 | 34.50 | 1.38 | 4.15 | 35.75 | 25.25 | 7,195 | 1.67 | 973 | 899 | 2.30 | .17 N | 7.3 | 13 | 5.2 | 13.8 | .70 | 2.0 | 11-13-89 | 1950.5 | 101.1 | 2.0 | 3.01 | 13.97 | 1288 |
| Stanley Works (N) | SWK | 40.00 | 37.50 | 37.75 | -.25 | -.66 | 40.00 | 27.50 | 3,088 | .72 | 888 | 386 | 2.40 | .35 N | 15.2 | 9 | 5.4 | 14.2 | 1.08 | 2.9 | 12-04-89 | 1909.0 | 103.5 | 2.7 | 7.93 | 16.31 | 1288 |
| Thos Inds (N) | TII | 20.88 | 20.00 | 20.75 | .63 | 3.11 | 20.88 | 17.63 | 850 | .84 | 93 | 106 | 1.62 | .01 N | .6 | 4 | 5.1 | 12.1 | .76 | 3.7 | 11-27-89 | 347.6 | 17.7 | 2.7 | 3.22 | 12.25 | 1288 |
| Union Camp (N) | UCC | 39.63 | 36.38 | 39.25 | 3.00 | 8.28 | 41.38 | 33.75 | 25,358 | 3.68 | 1,735 | 3,170 | 4.25 | .67 N | 17.1 | 20 | 11.1 | 8.6 | 1.48 | 3.8 | 11-28-89 | 2660.9 | 295.2 | 2.4 | 9.13 | 22.66 | 1288 |
| USG (N) | USG | 4.88 | 4.38 | 4.88 | .25 | 5.41 | 7.38 | 2.88 | 5,626 | 1.04 | 1,367 | 703 | 2.38 | -.75 N | -39.1 | NC | 5.6 | 4.2 | .00 | .0 | 00-00-00 | 2248.0 | 125.5 | 1.0 | 44.18 | -27.26 | 1288 |
| Waxman Inds (N) | WAX | 8.38 | 8.13 | 8.13 | -.25 | -2.99 | 11.00 | 7.00 | 782 | .85 | 242 | 98 | .80 | .09 Q | 12.0 | 16 | 3.0 | 9.7 | .12 | 1.5 | 12-04-89 | 241.4 | 7.3 | 2.5 | 21.17 | 2.94 | 0689 |
| Weyerhaeuser (N) | WY | 28.38 | 26.00 | 27.38 | .88 | 3.30 | 32.75 | 25.25 | 19,702 | .96 | 4,382 | 2,463 | 2.68 | .38 N | 14.8 | 28 | 5.6 | 9.3 | 1.20 | 4.4 | 10-23-89 | 10013.9 | 564.4 | .0 | 16.55 | 19.86 | 1288 |

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

**Reporting period**
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

**Last 52 Weeks**

**General Field Footnotes**
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

**Market**
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

# Sutherland invests in boots

(Continued from page 4)

"The brick business is not real good right now," Justin told *NHCN*, although Acme is still profitable. "We're selling quite a bit of brick," he added, "although not as much as we could."

**Not for sale?**

Justin repeatedly denied the company is for sale, but he told the Fort Worth *Star Telegram*, "If somebody offers me enough money, I guess most anything is for sale except my wife and children."

The Sutherlands couldn't be reached for comment.

In order to prevent a takeover, Justin adopted a "poison pill" defense in October and a 3-for-2 stock split in December. Justin's stock went through a 25 percent run-up during November and December, reaching a high of $25.25 before settling back to around $14 in early January. Choctaw Securities paid between $22.75 and $24.38 for its stake last month.

John Justin owns nearly 30 percent of Justin stock, so any takeover would be difficult without his approval.

In a telephone interview Justin said of the stock split: "We've been talking about doing it for awhile, and I thought this would be a good time to do it." He said it had nothing to do with Choctaw buying shares in the company.

Justin had lunch with Perry Sutherland on Nov. 17, during which Justin said they talked business and looked at the company. "I told him I thought he'd made a good investment," Justin said.

Justin's nine-month income as of September 1989 was $3.8 million on sales of $198.2 million.

Finally, Justin did admit that some unnamed foreign investors had shown some interest in Justin in the past, "But they looked at the cowboy boots and shied away. They just don't understand what these are about." ◆

# New venture for Blue Circle

(Continued from page 2)

manager Curtis Smith. About 25 percent of it is sold to Williams Bros.' five retail outlets around Atlanta; the balance is purchased by lumberyards and home centers between Mississippi and Virginia.

Georgia Wholesale was set up by Blue Circle Inc., which owns Williams Brothers, to preserve its relationship with retail customers, some of whom reportedly felt it was inappropriate being seen accepting deliveries from a company that owns a competitor.

"Georgia Wholesale is a separate company, in a separate corporate shell," said Dave Marsh, vp-operations of Williams Brothers.

Last summer, Williams Brothers closed three retail stores and sold its lumber distribution business, Willco, to the Duluth, Ga.-based Maxey-Bosshardt Lumber. Former Williams Bros. vp Jim Stansberry was recently named vp of the new company, called Willco/Maxey-Bosshardt.

The company is preserving its "core" businesses and still has a truss mill and door and window shop. Marsh said these will be retained, along with the retail stores, where 80 percent of sales are to contractors.

The sawmill, which employs 80 people, has been run since April by Smith, who formerly headed Willco.

The company has seen a jump in retail sales partly from a greater emphasis on direct selling to contractors. "We've reorganized our outside sales force to be more aggressive," he said. ◆

# Five divisions spur dealer

(Continued from page 2)

and contractor yard that attracts the advanced DIYer."

**Services promoted**

The lumber division employs a brace of estimators to handle takeoffs. A company-wide fleet of 100 trucks provides prompt, free delivery of goods throughout the state of New Jersey and beyond. And an in-house credit department handles the over 2,000 commercial accounts that all five Blackstone divisions carry.

"Most of our commercial customers have become our friends," says Schwartz.

While most of the company serves the commercial customer, Old Bridge's store manager Dave Barrett points out that his unit gets a good mix of consumer traffic.

"We've got a big base of hard-core weekend DIYers in this area, and I've modified our inventory to attract them," explains the 33-year-old Barrett, who worked for six years at 84 Lumber prior to joining Blackstone.

**Merchandising fine tuned**

Carrying garage door panel kits and prefab sheds is part of that plan. "We got a shed display in here last season and sold between 75 and 100 sheds in the first month and a half," Barrett said.

As for Home Depot moving in across the street in Old Bridge, McDermott notes that Blackstone Lumber will fine tune its product mix and get deeper into consumer advertising this year.

"That's not because of Home Depot, but because of the overall economy," he says about a possible recession.

McDermott concedes, though, that the arrival of the Atlanta-based warehouse chain is not something Blackstone can completely ignore.

"It gives us a challenge," says McDermott, finally giving a nod in the direction of the competition. "It's a new reason for our people to get up in the morning." ◆

## Index of Companies in This Issue


Acme Brick and Featherlight Building . . 4,49
Agam Home Center . . . . . .20
Allwoods . . . . . .24
Amdura . . . . . .3
Anderson Lumber . . . . . .4
Babbitt Bros. . . . . 4,35
Barr Lumber . . . . . .4
Berkeley Forest Products . . . . . .23
Bestar . . . . . .24
Big Buck Building Centers . . . . . .50
Black & Decker . . . . . 11,42
Blackstone Co. . . . . 2,49
Blue Circle Inc. . . . . .49
Builders Emporium . . . . . .1
Builders Square . . . . . .1,4,19,38,50
Busy Beaver . . . . . .11
Central Hardware . . . . . .24
Church's Lumber . . . . . .4
City Mill Co. . . . . .3
C. O. Bar Inc. . . . . .4
Coast to Coast . . . . . .3
Collins Co. . . . . .19
Cotter & Co. . . . . .12
Dasco Pro . . . . . .14
Dean Lumber . . . . . .23
Dixieline Lumber . . . . . .4
Douglas Lumber and Home Center . . . . .19
Eagle Hardware and Garden . . . . . .2
East Coast Lumber . . . . . .35
Economy Building Materials . . . . . .23
84 Lumber . . . . . .4,49
Emhart . . . . . .42
Ernst . . . . . .2,11,19,35,50
Fagen's . . . . . .2,50
Fluidmaster . . . . . .11
Furman Lumber . . . . . .23
Gamble-Skogmo . . . . . .3
Ganahl Lumber . . . . . .4
General Building Supply . . . . . .3
Genova Products . . . . . .30
Georgia Wholesale Lumber . . . . . .2,49
Georgia-Pacific . . . . . .4
Great Plains Supply . . . . . .23,50
Grossman's . . . . . .24
Habitat for Humanity . . . . . .23
Hamilton Beach . . . . . .11
Handy Andy . . . . . .50
Hardware Wholesalers . . . . . .4,35
Hechinger . . . . . .11,33,34,38
Hill-Behan Lumber . . . . . .4,23
Holland Southwest International . . . . . .28
Home Depot . . . . . .2,19,20,38,49
HomeClub . . . . . .1,14
Ideal Co. . . . . .2
Jacob's Hardware . . . . . .12
Justin Industries . . . . . .4
Kahlenberg Bros. . . . . .23
Kemper . . . . . .19
K mart . . . . . .1,50
Knogo, North America . . . . . .34,35
Kurfees Coatings . . . . . .24
Lampert Lumber . . . . . .1,50
Loss Prevention Specialists . . . . . .33
Lowe's . . . . . .4,35
MacMillian Bloedel . . . . . .4
MAI Basic Four . . . . . .35
Makita . . . . . .12
Marvin Windows . . . . . .50
Masback Hardware . . . . . .3
Maxey-Bosshardt Lumber . . . . . .49
Metuchen Lumber . . . . . .2
Milwaukee Electric . . . . . .12
Monarch . . . . . .14
Morrison Brothers . . . . . .2,50
Morrison Millworks . . . . . .2
Mr. Goodbuys . . . . . .12
NHD Stores . . . . . .38
Olshan Lumber . . . . . .19
Orchard Supply Hardware . . . . . .2
Orion Systems . . . . . .50
Our Own Hardware . . . . . .3
Panama Machine & Supply Co. . . . . .50
Pay 'N Pak . . . . . .1,2,3,19,50
Payless Cashways . . . . . .3,4
Peachtree Planning Center . . . . . .3
Portasol . . . . . .28
Preston Trucking . . . . . .12
Quality Wholesale Building Products . . . . .4
Rickel . . . . . .12
Sears . . . . . .50
Schrock . . . . . .19
Schultz Snyder & Steele Lumber Co. . . . . .4
Scotch Corp. . . . . .11
Scotty's . . . . . .3
Seigle's Home and Building Centers . . . . .23
Sensormatic . . . . . .34,35
Sentry Hardware . . . . . .3
ServiStar . . . . . .3,24,50
Seven D Wholesale . . . . . .4
Snavely Forest Products . . . . . .4
Somerville Lumber . . . . . .3,23,50
Star Lumber . . . . . .3
Strober Brothers . . . . . .19
Strober Organization . . . . . .3
Sutherland Lumber . . . . . .4,49
3M . . . . . .35
Titan Corp. . . . . .30
Trustworthy . . . . . .3
UC Industries . . . . . .30
Umphlett Lumber . . . . . .23
Universal Forest Products . . . . . .4
Wal-Mart . . . . . .1,11
Waxman Industries . . . . . .1,3
Westavco Lumber . . . . . .23
Weyerhaeuser . . . . . .4
Willco . . . . . .49
Williams Brothers . . . . . .2,49
Wm. K. Westley Co. . . . . .28
Wood Pro Cabinetry . . . . . .19


## Advertisers Index


**Boldface denotes reader service number**

Andersen Corp. . . . . 20,21, 15
Beautyware . . . . . .8, 7
Belwood Sales Corp. . . . . .28, 21
Celotex . . . . . .40, 32
Certainteed . . . . . 36,37, 29
Coast-to-Coast . . . . . .30, 24
Collins Co. . . . . .25, 19
Dutch Boy . . . . . .32, 28
Fluidmaster . . . . . .7, 6
Freud . . . . . .24, 18
General Marble . . . . . .22, 16
Glidden . . . . . 16,17, 13
Gruppo Ratti Silvio . . . . . .11, 9
Hunter Co. . . . . .31, 27
Japan DIY Assn. . . . . .45, 33
Keystone Franklin . . . . . .39, 31
Knauf Fiber Glass . . . . . .6, 4
Lane Publications . . . . . .49, 34
Larson Manufacturing . . . . . .30, 25
Macco . . . . . .30, 23
Manville Building Materials . . . . . .52, 36
MW Manufacturing . . . . . .15, 12
National Manufacturing . . . . . .6, 5
National Store Fixtures . . . . . .6, 3
Price Pfister . . . . . .13, 11
R.D. Werner . . . . . .38, 30
Rubberset . . . . . .29, 22
Stanley/Parker . . . . . 26,27, 20
Steel City . . . . . .51, 35
Sunny Wood Products . . . . . .18, 14
Titon Industries . . . . . .30, 26
Waxman Industries . . . . . .5, 2
Weyerhaeuser Wood . . . . . .11, 10
Whittier Wood . . . . . .23, 17
W.R. Bonsal . . . . . .22A,B, 1
W.W. Henry . . . . . .11, 8


This index has been compiled for the convenience of our advertisers and readers. While every precaution is taken to prevent mistakes, the publishers cannot be held responsible for errors or omissions.


National Home Center News (ISSN 0192-6772) is published 23 times a year, twice a month, monthly in December, beginning with the second Monday in January; by Lebhar-Friedman Inc., 425 Park Ave., New York, NY 10022. Subscriptions are available at no charge to qualified retailers and wholesalers of lumber and building supplies and hardware. Paid subscriptions are available to nonqualifying retailers and wholesalers, and to manufacturers and others at $69 per year in the U.S.; $79 per year to Canada; $219 per year to all other countries (air mail only). Group subscriptions available in the U.S. (1-4 copies, $69; 5-19 copies, $64; 20 or more copies, $59). Single rate copy is $3 except last two May issues (Annual Census Issues) $30 each, $50 for both.

Second class postage paid at New York, N.Y., and additional mailing offices. Vol. 16, No. 2, Copyright© 1990 by Lebhar-Friedman Inc. All rights reserved. Postmaster: Please send address changes to Subscription Dept., National Home Center News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. For change of address six weeks is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 16, No. 2 January 22, 1990



The most profitable products you can sell are ideas and know-how

You can convert a customer's faucet repair into a kitchen remodel, a concrete patching job into a new deck, or a storage project into a room...

Simply capture their imaginations with project ideas, then provide them with the how-to skills. We do both.

Sunset

BOOKS & VIDEO

The most trusted name in d-i-y information

Call 1-800-227-7346/In California 1-800-321-0372

**Circle 34 on Reader Service Card**

C 5,50-6

** HC
00257757C
MS JEANNE LONG
CONGRESSIONAL INFORMATIO 1C3
4520 EAST-WEST HIGHWAY/STE 800
BETHESDA MD 20814

National
# Home Center News ®

SECOND CLASS

Vol. 16, No. 3 | $3 a copy | The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. | February 5, 1990

# Weyerhaeuser drops bomb on buying groups

## *Will halt participation in rebate programs*

**By Tim O'Malley**

TACOMA, Wash. — Weyerhaeuser has informed the major hardlines and building material wholesale buying groups that it no longer will support the rebate programs paid out to their dealer-members based on purchases billed through the co-ops.

The sudden move, greeted with emotions ranging from surprise to anger by officials of those groups, has sent large and small commodities distributors scrambling to pick up the business Weyerhaeuser has left on the table.

Weyerhaeuser's decision comes on the heels of its closing 13 distribution centers and virtually abandoning the East Coast market. The move has left the industry wondering what's next as the $10 billion forest products company continues to pull back on its far-reaching interests.

The move could also seriously impact the building materials programs of the hardlines co-ops, which have relied almost exclusively on Weyerhaeuser's and Georgia-Pacific's nationwide distribution networks to ship their dealers less-than-truckload quantities of commodities.

> 'As far as I'm concerned, [Weyerhaeuser] has written us off, so I've written them off'
> **—Ray Treen,**
> *vp-building products*
> *Hardware Wholesalers Inc.*

More seriously, some believe Weyerhaeuser's decision could spark an industrywide palace revolt by other distributors against participating in co-ops' rebate programs.

"What Weyerhaeuser did was courageous," said Hawk Furman, president of Furman Lumber, a major commodities distributor based in Billerica, Mass. "I'll deal with the co-ops, and I'll ship dealers any way they'd like. But in these economic times, I have to ask if I'm getting value for the services I'm providing."

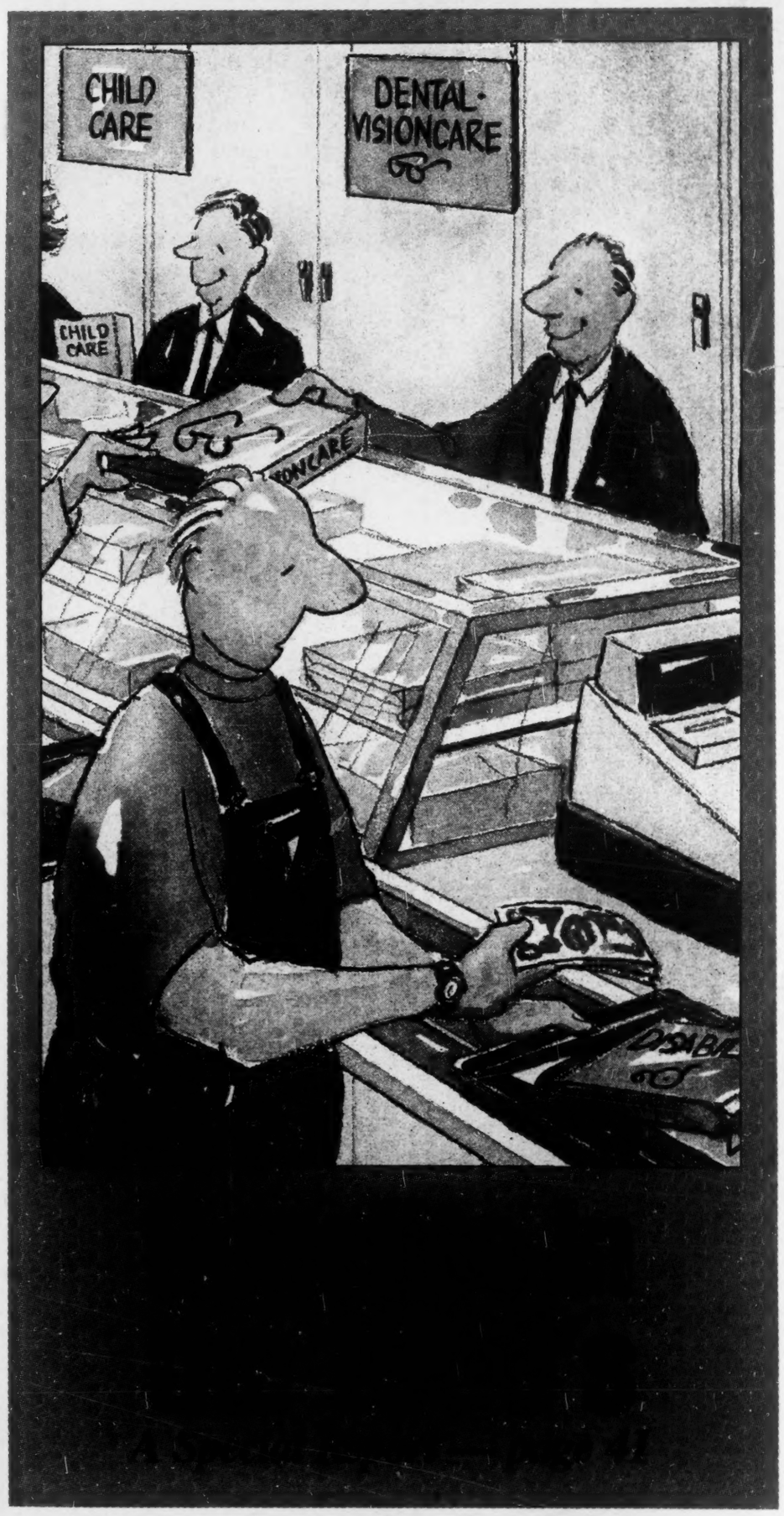
**'Irksome' discounts shunned**

Weyerhaeuser officials declined comment about the company's shift away from participating in the buying groups' rebates. "Everything is proceeding normally in our dealings with the co-ops; there's been no change," said Donna Brown, a company spokesperson.

But in letters to the major buying groups sent in late December, Weyerhaeuser said its distribution division would withdraw from incentive agreements as of March 31.

Such agreements, standard with co-ops for at least a decade, have irked suppliers because

*(Continued on page 53)*




# *Mr. Goodbuys' retreat concedes Long Island to competing chains*

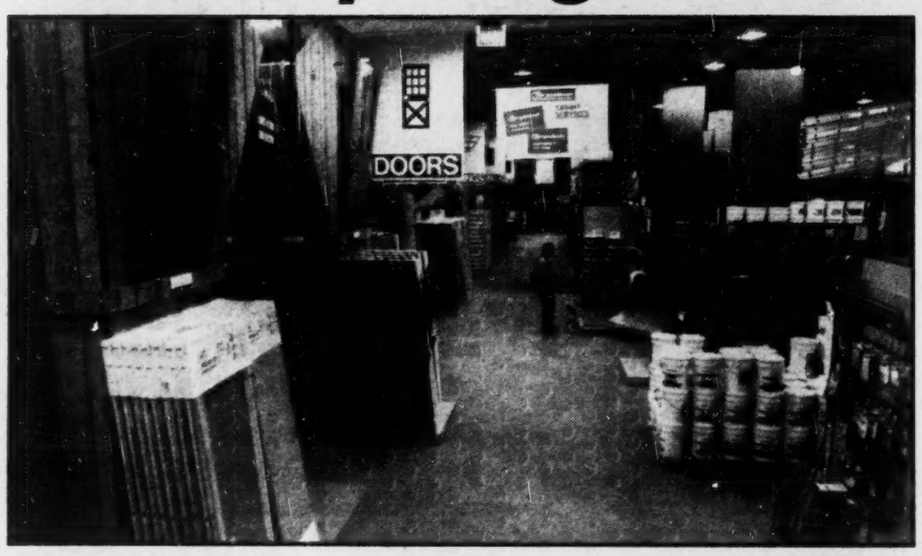
**By Elizabeth Brent**

PHILADELPHIA — Mr. Goodbuys will close four stores, including both its units on Long Island, N.Y., and embark on a $7 million remodeling effort for its remaining 12 units, according to Stephen Underwood, who took over as the chain's new chief executive officer Dec. 1.

This is the first stage of a three-year "revitalization" effort. The company said it also is looking to open new stores in this time period.

Mr. Goodbuys has had its two Long Island units in Westbury and Farmingdale, N.Y., under close scrutiny for some time.

The Westbury unit was disadvantaged by its own poor location and by being only a mile from Home Depot's new unit in East Meadow, N.Y., and the relocation of a Pergament unit into a 60,000-square-foot store in Westbury.




*This unit in Westbury, N.Y. will close as Mr. Goodbuys uses its resources to remodel its stores rather than battle competition here.* NHCN photo

"There's no future in Long Island for anybody but Pergament and Home Depot," said Underwood. "It's just not worth getting into a war between the two; we'd rather spend money on our stores."

Also to close is Mr. Goodbuys' Bricktown, N.J., store, where Home Depot is slated to open soon, and the Cedarbrook Mall unit in the Phila-

*(Continued on page 54)*

# Bleak housing market casts a pall over show

**By John Sinisi**

ATLANTA — "Where Will the Money Come From?" was as burning a question as "Where Will Our Children Live?" to the 60,000 people attending the 46th annual National Home Builder's Show, held here last month.

Members of the association wanted to learn which government agencies will fill the void in acquisition, development and construction (AD&C) left by thrift reform. Also of interest was finding better ways to build high-quality, affordable housing and sustaining remodeling business growth.

An unprecedented visit from the President Bush did little to distract members from these concerns.

Among those who walked the 400,000-square-foot exhibition, held at the Georgia World Congress Center, were representatives from retail companies such as Home Depot, Fagen's, Spenard Building Supply, Moser Lumber, and Diamond Point Lumber. They were interested in getting a jump on what their contractor customers might want

*(Continued on page 52)*

Merger creates largest independent distributor — page 3

# Georgia dealer finds silver lining in store blaze

*By an NHCN staff editor*

CONYERS, Ga. — When the call came from his Green Street store urging Ed Cowan to come quick, that his place was on fire, the Ace Hardware dealer never thought it was something major.

Driving the eight miles from his other store in Honey Creek on that Jan. 10 afternoon, Cowan comforted himself with the knowledge that he had installed plenty of smoke detectors inside the store, plus an alarm that went straight to City Hall.

His store is also across from the local fire house.

But about a mile from Green St., Cowan's gentle uneasiness turned to terror as he spotted billowing smoke. "Oh, crap," he recalled thinking. "This is going to be trouble."

No one was hurt, but Cowan Ace Hardware's 7,200-square-foot showroom and office—including several hundred thousand dollars in inventory—were destroyed by flames. Only a 2,300-square-foot building used to store outdoor power equipment was spared.

Authorities believe a spark from a circuit-breaker panel ignited a small puddle of kerosene and mineral spirits that had spilled from two, 220-gallon storage tanks.

Destroyed with everything else was Cowan Hardware's "old Western" store facade, described in local newspapers as a treasured sight for a local gathering place.

But there may be a silver lining to all the misfortune. With the insurance money Cowan is hoping to collect, the retailer plans to erect a "Store of the Future," the name of Ace's turnkey program.

> "The only time I've gotten emotional over this whole thing is seeing the support from friends."
>
> —**Ed Cowan,** *owner, Cowan Ace Hardware*

The Oak Brook, Ill.-based co-op has a regional office about a mile from Cowan's store, and the retailer praised Ace's representatives for coming to his aid quickly.

Cowan expects to file a million-dollar claim to get his business up and running within four months. "There's every indication that I shouldn't suffer one bit."

The experience taught him plenty, though, such as the need for extensive insurance and that owners should keep important records off premises. He didn't, but was fortunate to have placed the documents in a safe that was spared from flames.

Perhaps the most lasting lesson was the "unbelievable kindness of people in times of need." Cowan said several locals came with pickup trucks to help cart away debris. One woman promised to take a day off from work to help him get things in order once the new store is built. ◆

# Star Lumber expands reach with first acquisition

*By an NHCN staff editor*

WICHITA, Kan. — Star Lumber purchased the single-unit Davis Home Center in Hutchinson, Kan., last month, making it the first addition to the local chain based here in 10 years.

David Gregory, Star's director of merchandising and advertising, said while the acquisition doesn't necessarily mean Star will now concentrate on adding new stores, "we're always looking for new opportunities."

"This is aggressive for us," Gregory added. Davis Home Center became Star Lumber and Supply's fourth store on Jan. 9 and it's the first unit Star will operate outside of Wichita.

Davis Home Center, about 50 miles northwest of Star's core market, has annual sales of $2.5 million and employs 19 people, although Gregory noted that Star plans to hire 10 additional people for that store in the near future.

Jon Davis, the store's former president, stays on as store manager. Davis put out word two years ago that he was interested in selling the store when it became apparent his two sons did not want to become involved in the business, according to Gregory.

Davis Home Center has 22,000 square feet of retail space and a 10,000-square-foot warehouse. The store uses several format ideas from its buying group Hardware Wholesalers, Inc. (HWI), although it's not a Do-it Center.

Overall, Gregory noted that business in Wichita is "fairly stagnant" and that Hutchinson is in "a little worse shape than Wichita."

The name of the game for Star is "increasing market share," he added. Star competes against Pay 'N Pak, Westlake Hardware and a host of independents in Kansas.

Star is headed by Chris Goebel, who become president last September. Sales there in 1989 were about $50 million, according to the company. ◆

# Pardue, with Lowe's for 34 years, to retire

*By an NHCN staff editor*

NORTH WILKESBORO, N.C. — Dwight Pardue, senior executive vp-real estate at Lowe's Cos., will retire at the end of the year after a 34-year career with the home improvement chain based here.

I. W. Davis has been promoted to senior vp-real estate. Davis joined Lowe's in 1986 after spending 27 years with Sears in real estate.

Pardue hopes to spend more time with his family and pursue his personal business interests, which include real estate, after retirement.

Pardue, 61, began his career at Lowe's as manager of warehousing in 1956 for what was then a six-store, $12 million chain. A year later, he became store manager at the Sparta, N.C., unit and then transferred to Richmond, Va., in 1959, where he opened Lowe's first store in here.

In 1970, the company realized the need for a regional structure and Pardue was chosen as one of the first two regional vps. In 1976, he was promoted to senior vp-sales/store operations for all of Lowe's and two years later was named executive vp in the same capacity.

He was named to his current position in 1986, overseeing the addition of 2.4 million square feet of retail space, a 65

*Dwight Pardue*

percent increase, in a four-year period. The 302-unit chain plans to add an additional 2 million square feet over the next two years.

"Dwight has played a truly significant role in the growth of Lowe's," said Leonard Herring, Lowe's president and ceo, in a prepared statement. "He will be missed by all." ◆

# *U.S. lumber graders make headway into U.K.*

**By Gary S. Ruderman**

NATIONAL REPORT — Seven of nine U.S. lumber grading agencies cleared the first hurdle in gaining market acceptance in Europe before the continent's western nations unify in 1992.

The decision by the United Kingdom Timber Grading Committee to accept some U.S. gradings, handed down last month, means wood qualities accepted in the U.S., like machine stress ratings and span characteristics, will be accepted in the U.K. after June 1. It is the first step for U.S. graders to eventually receive coveted British grade stamps.

"The word is that such approval in one country could well mean automatic approval in all others of the [European Commission] countries" before 1992, said Don Wallace, technical director of the Western Wood Products Association (WWPA), one of the grading agencies, in a prepared statement.

Ron Willis, export markets manager for the Southern Forest Products Association, said all but two of nine U.S. grading agencies had received the preliminary U.K. approval. The other two are expected to reach the first level of acceptance by year-end, Willis said.

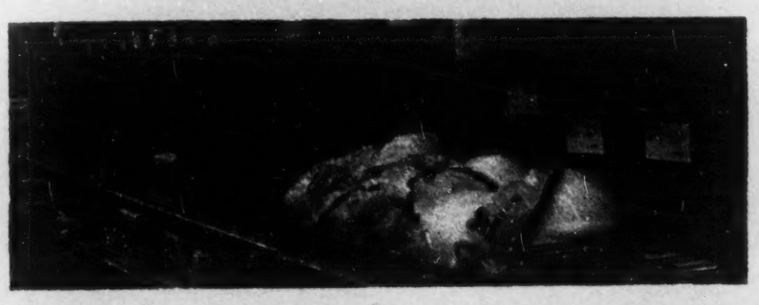
While the total U.S. exports of lumber to the U.K. in 1988 amounted to just 92 million board feet, the smallest portion of which comes from the western U.S., the European market is a prime candidate for export growth. At present, the 12-member European Community receives the bulk of its lumber from Germany and the Scandanavian countries. ◆

## contents

### upfront

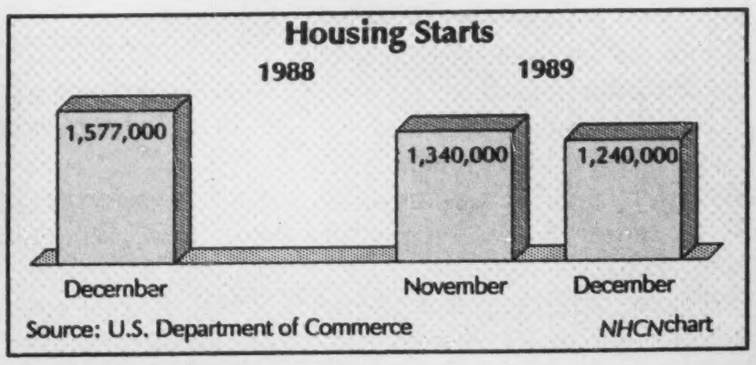

Grip-Rite, Sequoia marriage creates largest U.S. distributor . . . . . 3
Wickes names new chairman . . . . . 4
Car driven by murdered Rickel vp found . . . . . 4
Pergament introduces installation program . . . . . 6
Editorial: NAHB show focuses on affordable housing . . . . . 10
Commentary: Market prime for home improvement projects . . . . . 10
Home Depot buys lease for prime Long Island property . . . . . 54


### buying & selling




Recent survey examines shoppers perception of quality in tools . . . . . 25
Manual screwdrivers hold onto their market despite growth in cordless . . . . . 25


### business watch





BUSINESS WATCH . . . . . 50
Financial Shorts . . . . . 51

# Survey asks what factors consumers consider in determining tool quality

*By an NHCN staff editor*

NATIONAL REPORT — The tool category remains perhaps the most brand sensitive in the home improvement industry, as consumers continue to base their buying decisions on names they know and trust.

However, consumers in this country also are keen on stepping up to better quality merchandise, with nearly three-fifths of those polled in a recent survey claiming they would spend somewhat more for a higher-grade tool.

The poll, conducted in August and whose results were released recently, was taken among 500 consumers who read *Better Homes and Gardens*. It was commissioned by The Irwin Company, the Wilmington, Ohio-based tool accessories manufacturer. Its findings are nationally projectable to the magazine's 36 million readers.

More than three-quarters of respondents said they look for "brand name" when making their tool purchase, followed by 70 percent who said they first evaluated price.

A surprisingly high 19 percent said they looked for "statements referring to professional use," which probably

*(Continued on page 28)*

PRODUCT ANALYSIS

# 'Safety first' stressed at Payless

*The power tool department in Payless Cashways' store in Nashville, Tenn., focuses on user safety by cross merchandising protective goggles and headware with the extensive line of power tools Payless has added recently to lure in more contractors.* NHCN photo

PRODUCTS '90

## *Bosch jigsaw connects to vacuum system*

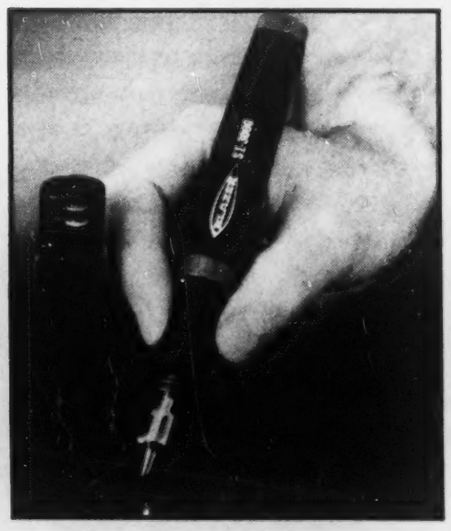
The new model 1581DVS Dustless Variable Speed Jig Saw from **Bosch, New Bern, N.C.**, features a built-in collector for attachment to the Bosch Air Sweep Dust Extraction System.

The jigsaw features a bayonet-lock blade mount; counterweight design, which eliminates vibration at its source; four-position orbital action; and a 1 inch stroke length and 500 to 3,100 no load strokes per minute.

For more details, write Bosch Power Tool Corp., 100 Bosch Blvd., New Bern, N.C. 28562-4097, (919)636-4281 or circle number 200 on the reader service card.

## *Newest Blazer soldering iron has many uses*

**Blazer Products, New York, N.Y.**, has introduced its butane-gas-powered cordless, self-starting, refillable soldering iron.



Besides soldering, it can be used for cutting, repairing, heat shrinking, or as a gas torch. The Model SI-3000 Cordless Soldering Iron refills and starts in seconds and is equivalent to a 100 watt electrical soldering iron. Torch, heat knife, heat shrink and polyfoam cutter tips, as well as soldering tips in four sizes are available.

The iron works up to 90 minutes per refill and has a one-year limited warranty.

For more information, write Blazer Products, Dept. P-3A, 114 E. 32nd St., N.Y. 10016, (212)532-1166 or circle number 201 on the reader service card.

# Manual screwdrivers hold onto their market despite growth in cordless

**By Tom Bagsarian**

NATIONAL REPORT — Dealers and even suppliers say the explosion in cordless screwdriver sales has had, at best, a modest impact on sales of the manual variety.

However, some consumers have become accustomed to using the electric models as substitutes for manual screwdrivers. In response, Star Lumber, the four-store chain based in Wichita, Kan., has trimmed its manual skus.

On the other hand, the success of cordless electric screwdrivers at the 74-unit ACO Hardware has acquainted consumers, used to only slotted head screwdrivers, with new tool heads like Phillips-head types.

That's carried over to increased sales of specialty head manual items, and John Cyrowski, buyer for the Farmington Hills, Mich.-based dealer, boosted his stores' skus of this hand tool by 20 percent and "de-emphasized" manual slotted screwdrivers.

*Cordless screwdrivers break out of 'toy' image, but don't replace manuals in the tool box*

### Pros prefer manuals

Despite the closing proximity of their price points, cordless and manual screwdrivers are really aimed at two separate markets. Dealers still view the manual screwdriver as the old mainstay, the tool of choice by professionals and serious do-it-yourselfers for their more earnest projects.

In 1987, the latest year tracked by the Commerce Department, 19 domestic suppliers (down from 32 in 1982) sold $117.1 million worth of manual screwdrivers. In that same year, the first in which suppliers were showcasing their cordless screwdrivers, $63 million of the power driven products were sold.

In the ensuing two years, more companies have begun offering cordless screwdrivers, and the sales gap between electric and manual items has no doubt narrowed.

However, "I haven't seen any effect at all," says Doug Hammer, hand tool buyer at Servi-Star, the 3,700-member hardware co-op based in Butler, Pa., about the impact of cordless on manual sales.

Hammer reasons shoppers won't wing it with a cordless screwdriver without a backup. "I'm not just going to have a cordless screwdriver in my tool box," notes Hammer. "I'm also going to have a [manual] screwdriver set."

Kevin Wood, store manager at Tool King, the seven-unit specialty tool chain in Denver and Milwaukee, concurred, and called the cordless screwdriver "more of a toy," than a tool used for major projects.

But at the same time, Calvin Herrill, the tool buyer at Star Lumber, says the "steady decline" in sales prompted his company to eliminate one of three quality manual screwdrivers from its product mix as a result of the cordless boom.

Although Herrill expects the slide to continue, it should "level out" during the next 10 years, since there "always" will be a need for

*(Continued on page 26)*

Would you pay slightly more for better quality tools and tool accessories?
No, I'm not happy with the quality of my present tools and I woulf pay 10 % more for good quality cutting tools
No answer
24
5%
33
7%
Yes, I'm happy with the quality but will only pay up to 10% more
252
57%
134
30%
Yes, I'm interested in quality but I'm not willing to pay additional money.
What do you look for to help you make a tool selection?
Brand name
75.8%
Price
70%
Packaging information
48.2%
Statements referring to professional use
18.7%
Source: Better Homes and Gardens Consumer Panel, August 1989

# Study examines shoppers' perception of tool quality

*(Continued from page 28)*

accounts for the big marketing push companies such as Black & Decker, Skil and Makita have made recently on their products that had been geared primarily towards contractors.

About one third of the respondents said they have a "favorite" brand, but nearly 9 percent expressed no preference, noting that they rely primarily on "information provided by the store" concerning quality.

For the most part, home centers and hardware dealers have viewed the tool category as self service, although with a growing number of dealers putting theft-prone tools under lock and key, it has become virtually impossible in some stores to buy a tool or accessory *without* the help of a salesman.

### Will pay a little more

A high percentage of consumers polled said they sought out better quality tools, even if "quality" remains a relative term for most shoppers and there appears to be a price threshold.

The majority of the survey's participants proclaimed they are "happy" with the quality of what's on the market: on a scale of one to 10, with 10 representing the highest level of satisfaction with a tool's quality, almost 60 percent rated what is being sold in home centers and hardware stores an eight or higher. About 10 percent thought the quality of tools being sold was average.

But even those who are pleased with what's available say they were only willing to pay "up to 10 percent more" for better quality as they perceive it.

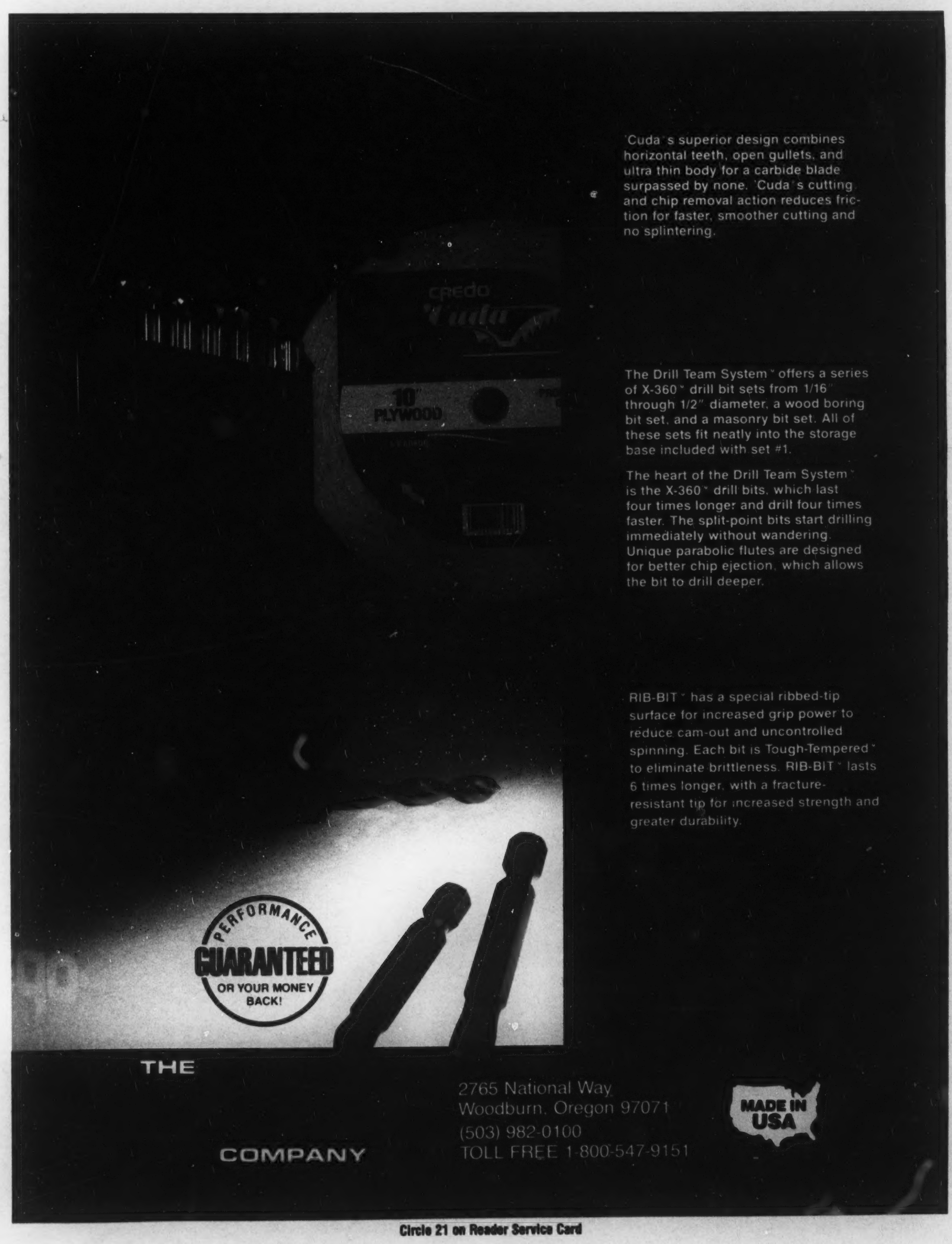
A much smaller but no less significant percentage—7.4—said they were not thrilled with the quality of products they owned and would pay 10 percent more for good quality cutting tools.

As important were the three in 10 shoppers who expressed an "interest" in buying better grade equipment but not if it costs more.

### Prefer hardware stores

The tool category takes up a major chunk of real estate in many home centers. Warehouse chains in particular can stock up to five different manufacturers' lines of tools, and three lines of accessories.

But at least among this survey's respondents, hardware stores remain the preferred shopping environment for tools and related items. Home centers, discount stores and national chains (predominantly Sears) received the same level of preference, and there appears to be a lot of crossover shopping among these consumers. ◆


'Cuda' s superior design combines horizontal teeth, open gullets, and ultra thin body for a carbide blade surpassed by none. 'Cuda' s cutting and chip removal action reduces friction for faster, smoother cutting and no splintering.
The Drill Team System ™ offers a series of X-360 ™ drill bit sets from 1/16" through 1/2" diameter, a wood boring bit set, and a masonry bit set. All of these sets fit neatly into the storage base included with set #1.
The heart of the Drill Team System ™ is the X-360 ™ drill bits, which last four times longer and drill four times faster. The split-point bits start drilling immediately without wandering. Unique parabolic flutes are designed for better chip ejection, which allows the bit to drill deeper.
RIB-BIT ™ has a special ribbed-tip surface for increased grip power to reduce cam-out and uncontrolled spinning. Each bit is Tough-Tempered ™ to eliminate brittleness. RIB-BIT ™ lasts 6 times longer, with a fracture-resistant tip for increased strength and greater durability.
credo
'cuda
10" PLYWOOD
PERFORMANCE GUARANTEED OR YOUR MONEY BACK!
THE
COMPANY
2765 National Way
Woodburn, Oregon 97071
(503) 982-0100
TOLL FREE 1-800-547-9151
MADE IN USA
Circle 21 on Reader Service Card